

ON-PREMISES RESORT LIQUOR LICENCES

This fact sheet briefly describes On-Premise Resort liquor licenses, which are available from the Michigan Liquor Control Commission (MLCC). It provides an overview of the resort requirements and describes the process of obtaining a resort liquor license. The investigation and licensing process is sometimes complex and certain applications may require additional information not described in this fact sheet.

Definition

The MLCC may grant a limited number of liquor licenses in Michigan to stimulate economic development and the tourist/convention business. On-Premise Resort licenses may be issued for Class C, B-Hotel, A-Hotel, and Tavern classifications. Applicants for a particular type of Resort liquor license must meet the qualification for both a regular quota license and a resort license. For example, an applicant for an On-Premises Class C Resort license must meet the qualifications for the Class C liquor license (refer to the Class C license fact sheet) and also the qualifications for an On-Premises Resort. Resort licenses are available only after all the licenses under the quota are issued.

Availability

A very limited number of resort licenses may be granted each year under existing legislation. These are the categories of:

- **Transferable On-Premise Resorts – Sec. 531(2)** - 550 licenses were authorized. These resort licenses can be granted to Class C, B-Hotel, A-Hotel and Tavern classifications. They may transfer ownership and location with Commission approval.
- **Non-Transferable On-Premise Resorts – Sec. 531(3)** - Up to 5 licenses may be issued per year. These licenses may transfer ownership with Commission approval but not location. The license must be returned to the Commission if the business stops operations. The business must have a capital investment of at least \$75,000 in the real property leasehold improvements and fixtures for the premises. These resort licenses can be granted to Class C, B-Hotel, A-Hotel and Tavern classifications.
- **Resort Economic Development License – Sec. 531(4)** - Up to 15 licenses may be issued per year. These licenses may transfer ownership with Commission approval but not location. The license must be returned to the Commission if the business stops operations. The business must have at least \$1,500,000 investment in real property, leasehold improvements, fixtures and inventory for the premises to be licensed. These resort licenses can be granted to Class C, B-Hotel, A-Hotel and Tavern classifications.

Investigation & Licensing Fee

There is a \$70 inspection fee due if the application is authorized for investigation. If approved for licensure, the initial license fee for any license issued under Section 531(3) and (4) is \$20,000. The yearly license fee for a resort license is the same as a quota license of the same type:

- Class C Resort - \$600/year plus \$350/year for each bar over one
- B-Hotel Resort - \$600/year plus \$350/year for each bar over one plus \$3 for each bedroom over 20
- A-Hotel Resort - \$250/year plus \$1 for each bedroom over 20 (not to exceed \$500)
- Tavern Resort - \$250/year

(Continued)

Requirements for an On-Premises Resort License

Applicants for On-Premises Resort licenses must meet the qualifications as described in the fact sheet for Class C, B-Hotel, A-Hotel or Tavern licenses.

If there is an opening under the quota provisions, an applicant for any resort license must also submit an explanation of why the Commission should grant a resort license rather than a quota license. The applicant must also demonstrate that there is not an on-premises quota license available for sale in the county.

Applicants for on-premise resort classification must also:

- Show the number of employees currently employed as a result of the resort or the number of employees who will be hired.
- Describe the number, type and variety of meals offered daily.
- Indicate the number of months the dining room will operate.
- Have a seating capacity of at least 100, or 50 in counties with a population of less than 50,000 if applying for a resort license with an investment of \$75,000.
- Describe the recreation facilities at or near the establishment and list any facilities for which the applicant has a financial interest.
- List the number of sleeping, meeting, banquet, conference, and convention rooms at the facility.
- Submit two 5 x 7 photographs showing the interior and exterior of the premises already constructed or have blueprints of the proposed facilities available for the investigator.

In addition to the above, applicants for the \$1,500,000 and \$75,000 resort classification must also show a capital investment in real property, leasehold improvements and fixtures for the premises to be licensed in excess of \$1,500,000 and \$75,000 respectively.

Process for Obtaining a Resort License

The purpose for obtaining an On-Premise Resort license is similar to that described in the fact sheet for the quota license of the same classification. A potential applicant interested in a Class C Resort License should review the Class C fact sheet.

It should be noted, however, that due to the tremendous interest in the limited number of Resort licenses, the Commission attempts to grant licenses only to the most meritorious applicants. Unsuccessful applicants may request that the Commission carry over the application from one year to the next.